

~~SECRET~~Noted by DCI
29 JUL 1960

18 July 1960

Mr. Dulles:

With reference to your specific questions on your speech:

1. Refugee flow from East to West Germany.

Refugees are leaving East Germany this year at a rate comparable to 1957 during which more people fled the Communist regime than at any time since the uprising in 1953. In May of this year, over 20,000 people fled. Preliminary figures for June show the total will be close to 18,000. Last year 12,000 fled in May and about 10,000 in June. This flood points up a weakness in this area.

2. The common language reference to the RSFSR Bureau is the cabinet of the Russian Soviet Republic, by far the largest and most important of all the Soviet Republics.

3. Trouble in Industry.

The Central Committee meeting which ended on 15 June acknowledges serious weaknesses in using Science and Technology, the reduction of production costs and improvement of quality. At the same time, the Soviets claim continued progress toward modernizing industry and fulfilling overall planned goals. Unlike last year's meeting on industry, this year's meeting made no mention of specific measures of overcoming these deficiencies. The deadlines which were set last year to be met by specific government agencies have passed and there has been little reference to their achievements.

4. The attached (TAB A) shows the background against which you will be speaking. The suggested topics for consideration give you some idea of questions which you might expect. However, I sincerely doubt any of them is appropriate for an intelligence presentation. Exploitation, in my view, consists mainly in keeping our own balance sheet of both Soviet and Free World strengths and weaknesses. As you correctly point out, any dwelling on Soviet weakness raises the hope of an early collapse. Conversely, under-emphasis on strength suggests that we are doing nothing and that they will soon inherit the earth. If we maintain a steady view we can expose the Soviets for what they are and we often get plenty of help from them. That they are trigger-happy and

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obsessed with secrecy has recently been made abundantly clear. That they are not interested in the welfare of the new States of Africa is demonstrated by their attempts to exploit turmoil in Congo for political and propaganda ends. Entirely on their own, they have wrecked their own aid program in Burma, a show of arrogance and inefficiency. Their devotion to espionage and subversion is a well-documented public record. Their willingness to use missiles and nuclear blackmail has revealed their true character in this area. They have not yet issued as many serious warnings as the Chinese Communists.

In short, their vulnerability is that they are unable to conceal what they really stand for. If we continue to make this clear to our own people, and to the Russians through increased contacts, and to the uncommitted peoples who are having more and more contacts with the Soviets, we shall be operating to expose them for what they really are without raising false hopes about giant strength or crippling weaknesses.

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